



June 16, 2009

HOUSE BILL No. 1003(ss)

DIGEST OF HB 1003 (Updated June 16, 2009 6:11 pm - DI 84)

Citations Affected: Noncode.

Synopsis: Audit of public assistance modernization project. Requires the legislative council to contract with an entity to conduct a performance audit of the public assistance modernization project. Requires the office of the secretary of family and social services and contractors to cooperate with the entity conducting the performance audit. Requires a final audit report to be given to the legislative council before October 19, 2009. Appropriates \$300,000 for the performance audit.

Effective: Upon passage.

Riecken, Brown C, Welch

June 11, 2009, read first time and referred to Committee on Ways and Means.
June 16, 2009, reported — Do Pass.

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June 16, 2009

Special Session 116th General Assembly (2009)(ss)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular Session of the General Assembly.

HOUSE BILL No. 1003(ss)

A BILL FOR AN ACT concerning human services and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **The definitions**
2 **in this subsection apply throughout this SECTION:**

3 (1) **"Modernization project"** refers to a public-private
4 **partnership undertaken by the state, acting on behalf of the**
5 **office of the secretary of family and social services, and**
6 **International Business Machines Corporation or one (1) or**
7 **more private contractors to:**

8 (A) **receive and process applications;**

9 (B) **gather and verify appropriate related data; and**

10 (C) **manage through document imaging the documentation**
11 **required by the office of the secretary of family and social**
12 **services or the federal government;**

13 **to perform eligibility determinations for public assistance.**

14 (2) **"Performance audit"** refers to an independent assessment
15 **of the modernization project that is performed under a**
16 **contract entered into by the chairman and the vice chairman**
17 **of the legislative council and conducted under this SECTION.**

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(3) "Public assistance" refers to assistance available under any of the following programs administered by the state:

(A) The federal Supplemental Nutrition Assistance program (SNAP).

(B) The federal Temporary Assistance for Needy Families program (TANF).

(C) The federal child care and development fund (CCDF) program.

(D) The Medicaid program.

(b) The chairman and the vice chairman of the legislative council, after consulting with the minority leader of the house of representatives and the minority leader of the senate, shall jointly enter into a contract with a qualified entity to conduct a performance audit of the modernization project in compliance with this SECTION.

(c) The contract for the performance audit shall be awarded in the manner provided in this subsection. The legislative services agency, on behalf of the legislative council, shall solicit proposals through a request for proposals for a performance audit. The legislative services agency shall give public notice of the requests for proposals under IC 5-3-1. The contract shall be awarded to the responsible offeror whose written proposal is determined by the chairman and vice chairman of the legislative council, after consultation with the minority leader of the house of representatives and the minority leader of the senate, to be the most advantageous, taking into consideration the price and other evaluation factors set forth in the request for proposals.

(d) The purpose of the performance audit is to provide information to improve public accountability and facilitate decision making by the legislative and executive branches to oversee or initiate corrective action for the modernization project as necessary or appropriate.

(e) The contract must provide that the performance audit include the following:

(1) Be conducted according to generally accepted governmental auditing standards.

(2) Include appropriate government service efforts, include information concerning accomplishments, and provide an accounting of the costs and expenditures associated with the modernization project, including the costs and expenditures on staffing, equipment, facilities, and technology.

(3) Determine the following:

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- 1 (A) Whether the optimum amount of resources, including
- 2 staff, equipment, facilities, and technology, are being
- 3 allocated by the state and the private contractors to ensure
- 4 the eligibility determinations and redeterminations for
- 5 public assistance are made in a timely manner.
- 6 (B) The extent to which the modernization project is
- 7 achieving improvements in the delivery of public assistance
- 8 that were contemplated by the state when the state entered
- 9 into the modernization project.
- 10 (C) Whether the state and private contractors are in
- 11 compliance with public assistance laws, rules, and
- 12 regulations.
- 13 (D) Whether the state and the contractor are in compliance
- 14 with the contract governing the modernization project.
- 15 (E) The adequacy of the management control system for
- 16 measuring, reporting, and monitoring the modernization
- 17 project's economy, efficiency, and effectiveness.
- 18 (F) Whether the reporting measures of the state and the
- 19 contractors concerning the modernization project's
- 20 economy, efficiency, and effectiveness are valid and
- 21 verifiable.
- 22 (G) The timeliness in the processing of applications once
- 23 proper documentation is received.
- 24 (H) The timeliness in medical review team determinations.
- 25 (I) The timeliness for appeals.
- 26 (4) Review the eligibility intake process for document
- 27 management issues, including the following:
- 28 (A) Unattached documents.
- 29 (B) The number of documents received by facsimile.
- 30 (C) The number of documents received by mail.
- 31 (D) The number of documents incorrectly classified.
- 32 (E) The number of documents not indexed or incorrectly
- 33 attached to cases.
- 34 (F) The number of complaints from clients or
- 35 representatives of clients concerning lost documents and
- 36 the number of those complaints that are resolved.
- 37 (G) The timeliness of the tasks sent by the contractor to the
- 38 state for further action, as specified through contracted
- 39 performance standards.
- 40 (H) Call wait times and abandonment rates.
- 41 (5) Direct client assistance at county offices, including the
- 42 following:



(A) The number of clients helped directly in completing eligibility application forms.

(B) The wait times at county offices.

(C) The amount of time a client is given as notice before a scheduled applicant appointment.

(D) The amount of time an applicant waits for a scheduled appointment.

Referring an individual to a computer or a telephone does not constitute direct client assistance.

(6) The dollar value for uncompensated services provided by Voluntary Community Networks (V-CANs) and other individuals who have provided uncompensated assistance to applicants and enrollees in navigating the modernization project to receive public assistance.

(7) A review of the process for conducting call center interviews, including the following:

(A) The return rate for written notices informing clients of a pending telephone interview.

(B) The timeliness in contacting clients for telephone interviews at the appointed time.

(C) The success rate for completion of a phone interview at the appointed time.

(D) The process for rescheduling the telephone interview if the interview is missed.

(E) Whether a client is notified that a scheduled telephone interview has been missed.

(f) The performance audit must evaluate the modernization project in the aggregate and by each separate roll out region.

(g) The entity contracted to conduct the performance audit and the entity's employees and subcontractors:

(1) may not be contractors, key subcontractors, or primary subcontractors under any agreement governing the modernization project; and

(2) may not otherwise have a relationship with a contractor, subcontractor, or employee involved in the modernization project if the relationship would impair the entity in conducting a performance audit under this SECTION.

(h) The entity contracted to conduct the performance audit shall maintain adequate safeguards to keep confidential any public assistance applicant or recipient information, or any other information that is required by federal or state law to be kept confidential. The entity may not use the information collected to

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1 conduct the performance audit for any purpose other than the
2 performance audit.

3 (i) Before October 19, 2009, the entity contracted to conduct the
4 performance audit shall submit the performance audit in an
5 electronic format under IC 5-14-6 to the legislative council.

6 (j) The office of the secretary of family and social services, the
7 office of Medicaid policy and planning, the division of family
8 resources, and either office's or the division's employees,
9 contractors, and any subcontractors shall do the following:

10 (1) Cooperate with the entity conducting the performance
11 audit and the entity's employees and subcontractors in
12 carrying out the purposes of this SECTION, as determined by
13 the entity conducting the performance audit.

14 (2) Provide access to the entity conducting the performance
15 audit and the entity's employees and subcontractors to all
16 information and any facility that the entity conducting the
17 performance audit determines to be necessary or appropriate
18 to carry out the performance audit.

19 (k) Beginning July 1, 2009, and ending June 30, 2010, three
20 hundred thousand dollars (\$300,000) is appropriated to the
21 legislative council from the state general fund for the purpose of
22 conducting a performance audit described in this SECTION.

23 (l) This SECTION expires July 1, 2010.

24 SECTION 2. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1003, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 14, nays 9.

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